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FOREIGN AGRICULTURE REPORT

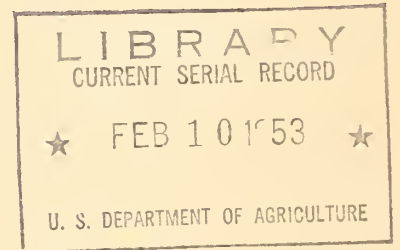
OFFICE OF
FOREIGN AGRICULTURAL RELATIONS
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.



TRADE WITH CANADIAN COOPERATIVES

by

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Office of Foreign Agricultural Relations
UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D.C.

FOREWORD

The cooperatives of Canada are important factors in the purchase and sale of agricultural products in Canada. In 1950 Canadian marketing associations handled about 35 percent of the total dollar volume of agricultural products sold in Canada and about 60 percent of the grains and seeds. Canadian cooperatives are also substantial buyers of United States products, and they sell many of their products in this country.

This study was made to evaluate the opportunities for increased trade with Canadian cooperatives. It discusses the volume and kind of purchases that the Canadian cooperatives make in this country, their methods of buying, and the commodities that they would like to buy or sell in the United States. In so doing, it suggests ways of increasing both the volume and efficiency of trade between Canadian and United States cooperatives.

This is one of several surveys conducted under the Agricultural Marketing Act to assess foreign cooperatives as outlets for United States agricultural products, particularly those in excess supply. Information on European cooperatives is given in Buying and Selling by Cooperatives in Western Europe (Foreign Agriculture Report No. 51, July 1950, reissued 1953) and Opportunities for Trade with Cooperatives in Western Europe (Foreign Agriculture Circular FAP 1-52, June 1952). Copies may be obtained, free in the United States, from the Office of Foreign Agricultural Relations, U. S. Department of Agriculture, Washington 25, D. C.


Joseph A. Becker, Chief
International Commodities Branch

ACKNOWLEDGMENTS

The assistance of Mr. Harry N. Weigandt of the Cooperative Research and Service Division of the Farm Credit Administration with the field work is gratefully acknowledged.

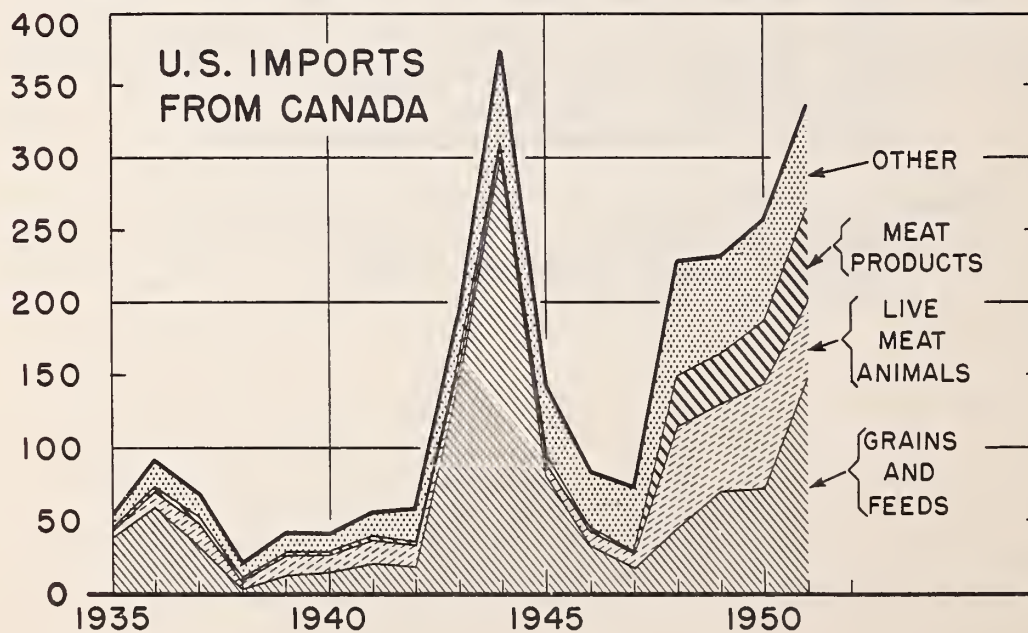
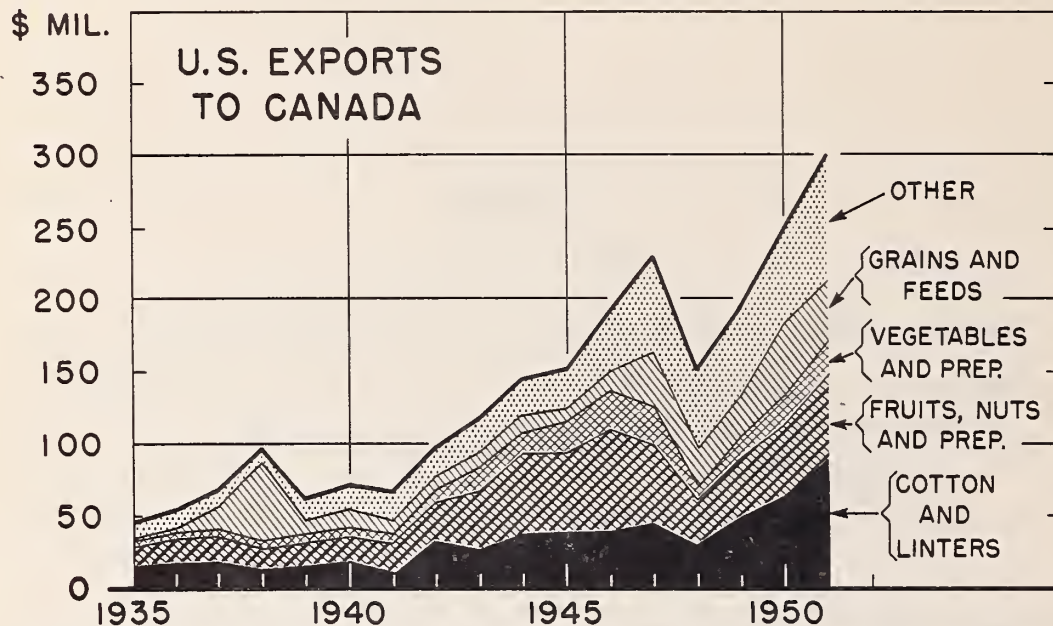
Appreciation is also expressed for the fine cooperation of the agricultural attache's staff of the United States Embassy at Ottawa and the Consular officials at Edmonton, Regina, and Winnipeg.

In like manner the assistance of the Economics Division, Marketing Service, of the Canadian Department of Agriculture, the Co-operative Union of Canada, and officials of the several cooperatives who supplied information is gratefully acknowledged.

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U.S. AGRICULTURAL TRADE WITH CANADA



INTRODUCTION

In this survey, as in the survey of the cooperatives of Western Europe, the principal sources of information were the officials and records of the cooperatives that are engaged in or are interested in engaging in trade with the United States. The Canadian cooperatives were selected in conference with officials of the Canadian Department of Agriculture and of the Co-operative Union of Canada.

Information was obtained direct from the organizations concerned. Trade policies and general preferences were obtained through interviews with administrative officers of the cooperatives. Information on specific items, together with recommendations, were obtained from the associations' buyers or salesmen handling the particular items. Data on volume handled and of purchases and sales were supplied by the business offices of the cooperatives.

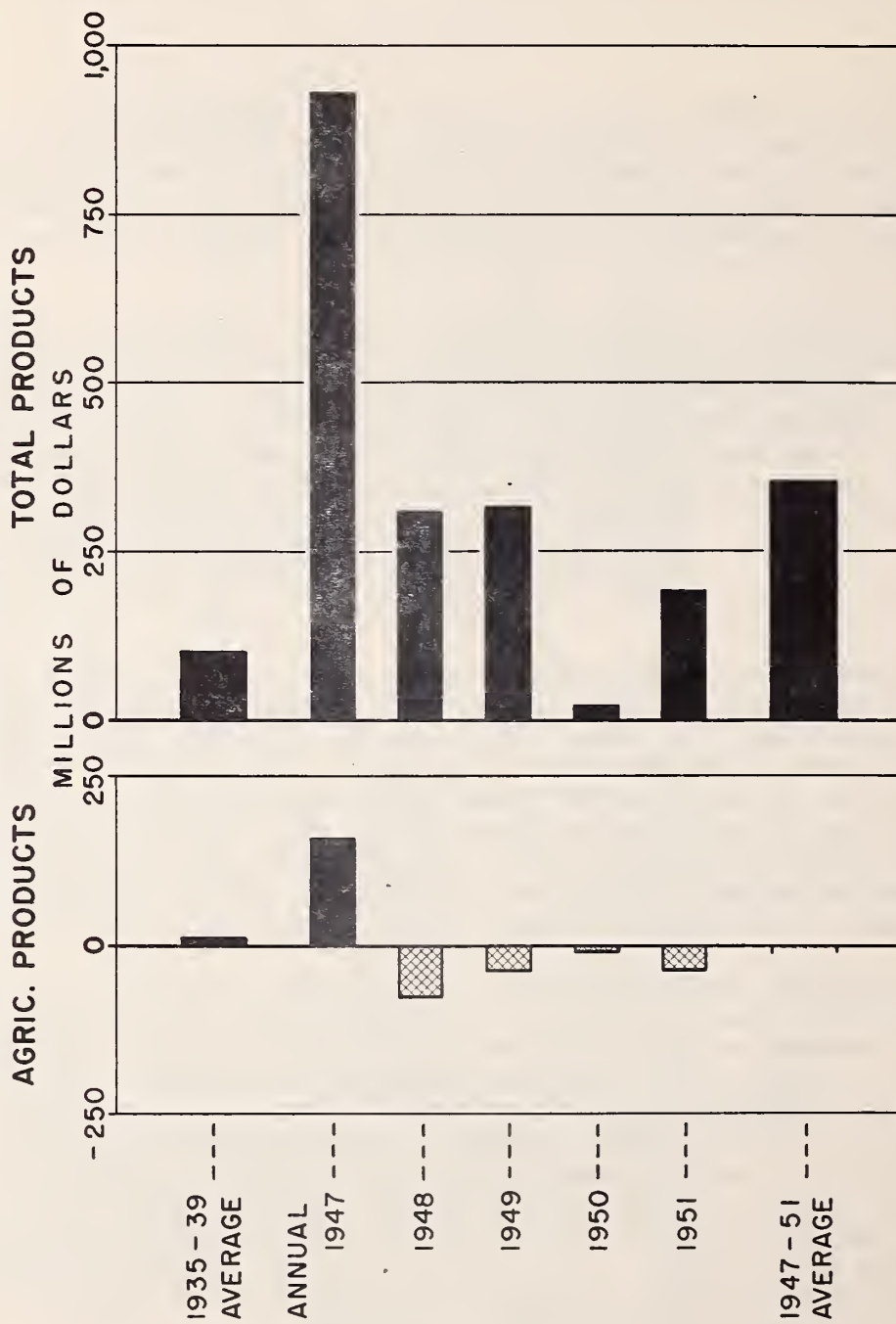
GENERAL TRADE

Canada is our best foreign customer, and we are Canada's largest export market. More products are exchanged by Canada and the United States than by any other two nations in the world. In 1951 this two-way trade totaled almost 5 billion dollars (table 1). On the whole, Canada supplies a market for far more United States goods than the United States does for Canadian goods, and over the 5-year period 1947-51 the United States trade balance with Canada averaged about 350 million dollars annually. Canada was able to buy more than it sold principally because of United States investments in Canada and dollars spent by American tourists.

Canada and the United States are important markets for one another's farm products, despite the fact that they produce many of the same products. Because of high transcontinental shipping costs, some products move in a north-south rather than an east-west direction. Fodders and feeds, for example, may move into Canada in the west and into the United States in the east. Canada's colder climate and shorter growing season also account for some of the trade. Canada is dependent on imports for cotton, citrus and soft fruits, and many other fruits and vegetables that can be shipped by our Southern States before the Canadian marketing season begins. We, in turn, buy hardy northern varieties of alfalfa and clover seed in Canada. In addition, each country has certain specialty products that it sells to the other.

Cotton is our leading agricultural export to Canada. Other important items are citrus fruits, grapes, and dried fruit, as well as corn, rice, fresh vegetables, soybeans, and protein meals. Some of the important

UNITED STATES TRADE BALANCE WITH CANADA AGRICULTURAL AND TOTAL



items we get from Canadian farmers are cattle, meat, potatoes and seed potatoes, and clover and grass seeds.

During the 5-year period 1935-39 Canadian markets took 8.4 percent of the dollar volume of our agricultural exports (table 2). This percentage dropped following World War II for two reasons. In November 1947 Canada imposed restrictions on imports from this country to protect its dollar balance. At the same time that exports to Canada declined, shipments of agricultural products to the European Recovery Program nations were rising and total United States exports of agricultural products were at a relatively high level. As a result, exports of agricultural products to Canada dropped to 4 percent of our total agricultural exports in 1948. Since 1948, the situation has changed. Canada's exchange situation has improved, and agricultural exports to Canada have increased. In 1951 Canada bought over 7 percent of United States agricultural exports (especially cotton, fruits, nuts, vegetables, and feed grains) and ranked fifth among the markets for our agricultural products. It took about

Table 1.--United States agricultural and total exports and imports to and from Canada
average 1935-39, annual 1947-51, and average 1947-51

Period	Agriculture 1/			Total trade 1/		
	Exports	Imports	Trade balance	Exports	Imports	Trade balance
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Average:						
1935-39 . . .	65.1	55.1	+ 10.0	425.5	327.4	+ 98.1
Annual:						
1947 . . .	228.0	73.3	+ 154.7	2,052.4	1,123.5	+ 928.9
1948 . . .	150.2	227.2	- 77.0	1,890.6	1,584.5	+ 306.1
1949 . . .	193.6	231.0	- 37.4	1,848.8	1,535.7	+ 313.1
1950 . . .	247.2	255.3	- 8.1	1,947.0	1,926.9	+ 20.1
1951 . . .	299.8	335.5	- 35.7	2,515.9	2,328.0	+ 187.9
Average:						
1947-51 . . .	223.8	224.5	- 0.7	2,050.9	1,699.7	+ 351.2

1/ Excludes imports of wheat brought in under bond for milling and re-export, or flour from such wheat, and grain sent across border by CCC for storage.

Source: Office of Foreign Agricultural Relations.

Table 2.--Value of United States exports of agricultural products to Canada, the Western Hemisphere, and all countries, average 1935-39, annual 1947-51, and average 1947-51

Period	Canada 1/	Western Hemisphere (including Canada)	All countries	Canada as percentage of Western Hemisphere	Canada as percentage of all countries
	Million dollars	Million dollars	Million dollars	Percent	Percent
Average:					
1935-39 . . .	65.1	118.7	774.3	54.8	8.4
Annual:					
1947 . . .	228.0	736.0	3,957.0	31.0	5.8
1948 . . .	150.2	590.5	3,722.5	25.4	4.0
1949 . . .	193.6	601.8	3,577.8	32.2	5.4
1950 . . .	247.2	648.6	2,873.1	38.1	8.6
1951 . . .	299.8	828.0	4,039.8	36.2	7.4
Average:					
1947-51 . . .	223.7	681.0	3,634.0	32.9	6.2

1/ Excludes wheat brought in under bond for milling and re-export, or flour from such wheat, and grain sent across border by CCC for storage.

Source: Office of Foreign Agricultural Relations.

one-third of the United States farm products sold in foreign markets in the Western Hemisphere (table 2).

Canada, in turn, finds an important market for many of its farm products in the United States. In fact, in recent years the value of our imports of farm products from Canada has exceeded the value of our sales of agricultural products to Canada (table 2). Among the important items we get from the farmers of Canada are cattle, meats, potatoes and seed potatoes, and clover and grass seeds. In 1951 Canadian agricultural products made up 7 percent of all United States farm imports.

TRADE BY COOPERATIVES

The extensive two-way trading that takes place between the United States and Canada involves the cooperatives of both countries. This is to be expected owing to the importance of cooperatives in both countries. The Canadian cooperatives buy some United States products from cooperatives and some from other dealers (table 3). The agricultural cooperatives sell primarily grass and clover seed and potato seed in the United States and buy oilseeds. The consumer and farm supply cooperatives buy extensively in the United States - chiefly machinery and equipment, feedstuffs, and some food items; their sales in this country consist of a few products from their processing plants.

The Canadian cooperatives have a friendly interest in the cooperatives in the United States. They generally welcome contacts with cooperatives in this country and will give them "good will" preference within the limits imposed by their obligation to provide their members with economic service. The Canadian cooperatives are especially interested in an exchange of information as a basis for developing trade as conditions warrant.

Table 3.--Value of imports from the United States by the provincial cooperative wholesale societies of Canada, 1951 ^{1/}

Society	Purchases through		Direct imports	Total imports
	Interprovincial	Co-operatives and National Cooperatives		
	Dollars	Dollars	Dollars	Dollars
British Columbia C.W.S.	10,413	2/	10,413	
Alberta C.W.S.	5,138	0	5,138	
Saskatchewan Federated Co-operatives	106,928	3/ 94,000	200,928	
Manitoba C.W.S.	64,541	4/ 100,000	164,541	
United Co-operatives of Ontario	274,126	4/ 428,000	702,126	
Co-operative Federees de Quebec	29,822	770,000	799,822	
L'Alliance de Co-operatives de Consommation	44,967	0	44,967	
Maritime Co-operative Services	61,252	0	61,252	
Total	5/ 597,187	1,392,000	1,989,187	

^{1/} Does not include petroleum products and fertilizer.

^{2/} Tools and general hardware are imported; exact amount not obtained.

^{3/} Value partially estimated by applying fair price per unit to dried fruits.

^{4/} Value partially estimated by applying fair price per unit to feeds.

^{5/} Made up of \$326,560 purchased through Interprovincial Co-operatives, Ltd., and \$270,627 purchased through National Cooperatives, Inc.

Cooperatives That Serve Both Sides of the Line

With the 3,000 mile border almost imaginary as far as general conditions, customs, and people are concerned, it is natural that there should be interlocking business relationships on both sides of the border. Several cooperatives have members in both countries, and in some instances Canadian and United States cooperatives have established joint production programs for their mutual benefit.

Farm Equipment

An example of international cooperation between cooperatives is the understanding between National Cooperatives, Inc., of Chicago, and Interprovincial Co-operatives, Ltd., of Winnipeg, which is the cooperative wholesale society serving the provincial wholesale societies of Canada. Before Interprovincial was set up in Canada, the eight provincial wholesale societies joined National Cooperatives, primarily to get milking machines. Through common understanding the provincial societies continue to get their milking machines from National - their purchases of milking machines, coolers, and parts total approximately \$300,000 per year. The provincial societies look to their own wholesale for the remainder of their supplies, a number of which the National might furnish.

National Cooperatives and Interprovincial Co-operatives have also joined in a production program that benefits them both. Jointly, they have a contract with a United States plant for the manufacture of refrigerators and farm freezers. These are produced under the "co-op" label, and distributed in Canada by Interprovincial Co-operatives and in the United States by National Cooperatives.

Another example of cooperation between cooperatives on both sides of the border is that between The National Farm Machinery Cooperative, Inc., Bellevue, Ohio, and The Canadian Co-operative Implements, Ltd., Winnipeg, Manitoba. Each of these national farm machinery cooperatives manufactures its own line, and, in addition, they have a joint contract with a Canadian firm for the manufacture of other machines such as tractors, combines, plows, and mowers. Each cooperative distributes these implements in its own country. However, each gets the benefit of the added volume of the joint contract.

One of the provincial wholesale cooperatives is also a part of the international farm machinery program. The United Co-operatives of Ontario, which is a member of National Farm Machinery Cooperative, Inc., purchases and distributes to its membership the machinery line manufactured by The National Farm Machinery Cooperative at Bellevue, Ohio.

Petroleum

The Saskatchewan Federated Co-operatives, Ltd., Saskatoon, is a member of both the International Cooperative Petroleum Association of New York City and of the Consumers Cooperative Association of Kansas City, Missouri. The Federated Co-operatives obtains lubricating oils from C.C.A.



Winnipeg plant of The Canadian Co-operative Implements, Ltd. This cooperative manufactures its own line of machinery. In addition, it and the National Farm Machinery Cooperative, Inc., of Ohio, have a joint arrangement with a Canadian manufacturer for the production of certain "co-op" machines.



Left. Co-op Vegetable Oils, Ltd., Altona, Manitoba. This cooperative provided a market for about 300,000 bushels of soybeans from the United States in 1951.

Below. The Seed Division of the Manitoba Pool Elevators, whose Winnipeg seed plant is shown above, is one of the three members of the Northern Canadian Seed Sales. These cooperatives supply large quantities of clover and grass seed to farmers in the United States.



However, its biggest venture is a joint project with C.C.A. to develop 90,000 acres of Crown lands in Saskatchewan. The two cooperatives, one from each country, are developing this project on a fifty-fifty basis. In this program the Federated benefits from the technical knowledge and experience of the Consumers Cooperative Association, which, in turn, benefits from the local knowledge and experience of the Federated.

Agricultural Cooperatives

Seeds

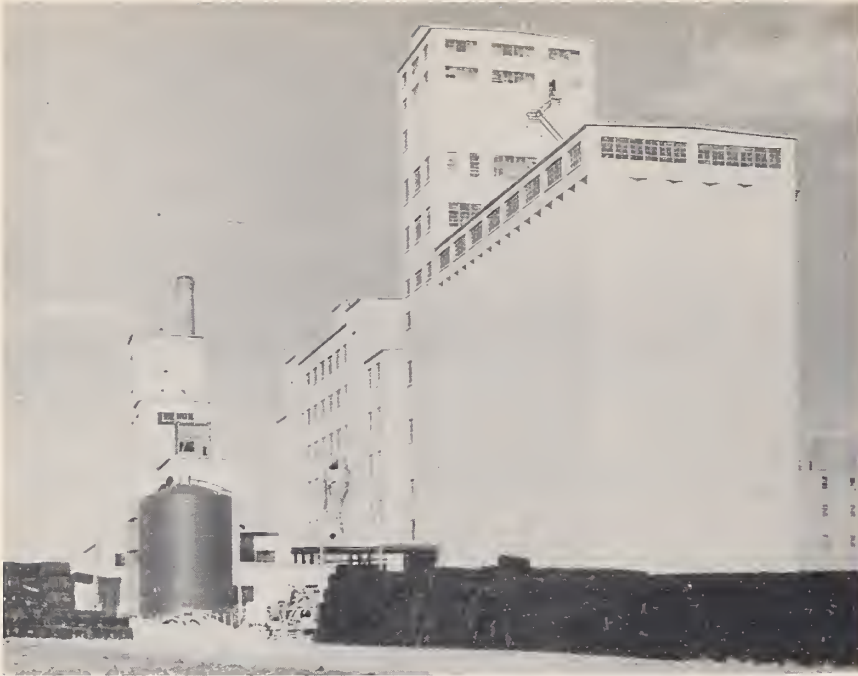
Farmers of the Northern and Middle Western States have long looked to Canada for certain hardy strains of clover and grass seeds. Alfalfa, sweetclover, brome grass, and red clover seed are the leaders in dollar volume among these seeds.

Cooperatives handle a large part of the seed business in the Prairie Provinces of Canada. Each of these provinces has a seed growers' cooperative. These are: Alberta Seed Growers' Co-operative, Ltd., Edmonton, Alberta; Saskatchewan Forage Crop Seed Growers Co-operative, Prince Albert, Saskatchewan; and Manitoba Pool Elevators (Seed Division), Winnipeg, Manitoba. Officials estimate that these three associations handle about one-third of the clover and grass seed marketed in western Canada.

Northern Canadian Seed Sales, Ltd., Winnipeg, Manitoba. All three of the provincial seed growers associations are members of this overhead cooperative, which acts as the exclusive sales agent for its member associations for all seed sold outside of their home province. Thus any trading by United States buyers for the seed of these cooperatives would be through their sales agency. Sales are handled on a brokerage basis. Northern Canadian Seed Sales procures orders from outside buyers, and refers the orders to the member associations for confirmation. The individual member associations fill the orders and collect from the buyers. Each member association contributes to the expenses of the sales office according to the proportion its sales bear to the total sales.

The Northern Canadian Seed Sales does extensive business in the United States. In 1950-51 about 52 percent of its total volume of sales of \$3,928,000 went to buyers in the United States. The principal seeds sold in this country are sweetclover, alfalfa, alsike clover, brome grass, creeping and meadow fescue, and crested wheat grass.

The distribution area for these seeds in the United States is the northern States as far east as Buffalo. In general, the limits are a line arcing from Portland, Oregon, through St. Louis, Missouri, to Buffalo. Within this area, the cooperative has a varied sales program. It has a number of direct connections with large dealers, both cooperative and noncooperative. Also, it has brokerage connections in the leading cities.



The Saskatchewan Wheat Pool's flour mill at Saskatoon. This is the only cooperative flour mill in Canada.



The new home of the Alberta Co-operative Wholesale Association, Edmonton, Alberta.

The management estimates that about one-half of its dollar volume of sales in the United States is to cooperatives. The Northern Canadian Seed Sales would welcome contacts from additional cooperatives within its competitive distribution area.

Soybeans

There are two cooperative vegetable oils plants in Canada. One is operated at Saskatoon by the Saskatchewan Wheat Pool. The other is the Co-op Vegetable Oils, Ltd., Altona, Manitoba.

Both of these plants were set up primarily to mill Canadian oilseeds--flaxseed, sunflower seed, and rapeseed--but at times, both have milled soybeans from the United States. The management of the mill at Saskatoon states that it cannot compete with eastern Canadian mills in processing soybeans and that it is not in the market for beans from this country. The mill at Altona, however, has been taking beans from the United States in increasing amounts.

Co-op Vegetable Oils, Ltd., Altona, Manitoba is located south of Winnipeg and is only a few miles from the North Dakota line.

This cooperative was organized to mill the new acreage of sunflowers planted as part of the World War II production programs. Adverse weather conditions have reduced sunflower production in recent years, and the cooperative has turned to soybeans from "south of the border" to fill the deficit. Soybean purchases have increased from 45,000 bushels in 1949 to 258,000 in 1950 and approximately 300,000 bushels in 1951.

Usually these beans are purchased from local elevators. The vegetable oils cooperative provides hauling either in its own or contract trucks. This mill affords cooperative elevator companies within hauling distance of the border with a good outlet for soybeans.

Flour

The only cooperative flour mill in Canada is owned by the Saskatchewan Wheat Pool, Regina. Like the oil mill that is owned by the Wheat Pool, this plant is also located at Saskatoon. The mill has a contract with Interprovincial Co-operatives for the sale of "co-op" brand flour through the provincial co-operative wholesale societies. The surplus above this amount is largely exported.

This cooperative is very interested in supplying consumer cooperative wholesales in the United States (near the border) with flour. They could either supply it under the "co-op" brand or under the brand of the cooperative making the purchase. Flour imported from Canada is subject to both a quota and a tariff. We are advised that the annual quota is filled very quickly after the year begins.

Honey

At least 2 of the 10 honey cooperatives in Canada are doing some business in the United States. Each organization buys bee keepers' supplies in this country. Also, each either buys or sells honey in the United States depending upon relative conditions. One of the cooperatives buys all its bees as package bees in the United States.

Ontario Honey Producers Co-operative, Ltd., 5 Defries St., Toronto. This cooperative buys honey in the United States when supplies are short in Canada or when honey is relatively cheap in the United States. Part of these purchases are from cooperatives in Iowa and in New York State. Some bulk honey is usually sold in New York City. The cooperative would welcome contacts from wholesalers or supermarkets for retail packaged honey packed under the association's "Beekist" brand.

Manitoba Co-operative Honey Producers, Ltd., Winnipeg. Like the Ontario cooperative, Manitoba Co-operative Honey Producers buys honey in the United States when prices or supplies make it the best source. Also, it sells some products in this country when it is the best market. It is interested in establishing outlets in the United States for high-grade products. The members of the Manitoba Co-operative rely almost wholly on package bees for their production each year. This results in a large package bee business each spring. These bees are obtained from the southern States--mostly California, Georgia, Alabama, Louisiana, and Mississippi.

Seed Potatoes

The Province of Prince Edward Island has long been a source of certified seed for many potato growers in the United States. Its soil and climate are ideal for potato production. Its isolated location is favorable to disease and insect control. Its regulations regarding production and certification are strict. As a result, over 55 percent of the certified potato seed exported from Canada comes from Prince Edward Island.

According to Canadian Seed Inspection Services' reports, the "high tide" of certified seed shipments to the United States was in 1949 when 3,670,886 bushels were exported. Over 3 million bushels were also exported in 1948, but shipments were smaller during 1950 and 1951.

The one cooperative handling certified seed potatoes in Prince Edward Island is the Island Co-operative Services, Ltd., Charlottetown, Prince Edward Island. This cooperative is a federation owned by 30 local associations. It has been selling certified seed in the United States since 1949. Its officials would like to contact cooperatives in the United States that buy certified potato seed.

Consumer and Farm Supply Cooperatives

The consumer and farm supply cooperatives of Canada are federated into 11 cooperative wholesale societies. In general, these wholesale societies serve the locals of one province. However, Quebec has two societies, and one society serves the three Maritime Provinces.

The Canadian cooperative wholesales have features in common with both the cooperative wholesale societies of England and Scotland and the large farm supply cooperatives of the United States. Like the English and Scottish Cooperative Wholesale Societies, these cooperatives supply their local members' consumer shops with food, clothing, home appliances, and other consumer items and services at wholesale prices. The wholesale societies either buy these products in large quantities or make them in their rapidly expanding factories and mills. As Canada is dominantly agricultural, most of the local members of the wholesale societies handle farm supplies. Thus the provincial wholesales conduct a heavy business in farm supplies such as feeds, seeds, fertilizers, fuel, hardware, and farm and farm building equipment.

The provincial wholesale societies were organized independently of each other, and operated independently until the national society--Interprovincial Co-operatives, Ltd.--was organized just before World War II.

Since the provincial societies had established individual procurement programs prior to the organization of Interprovincial Co-operatives, Ltd., the procurement program of these societies now has several features. The services that could be pooled to advantage nationally have been taken over by Interprovincial Co-operatives, Ltd. The provincial wholesales have maintained their membership in National Cooperatives of Chicago, as well as their individual connections in this country. Exclusive of petroleum and fertilizer, these societies bought about 2 million dollars worth of products in the United States in 1951 (table 3). Of this amount, a little less than 70 percent was imported by the provincial societies direct, nearly 14 percent was obtained by the provincial societies through National Cooperatives, and about 16 percent was procured through Interprovincial Co-operatives, Ltd. The volume procured through Interprovincial Co-operatives is increasing.

Interprovincial Co-operatives, Ltd., 389 Main Street, Winnipeg, Manitoba.

This national cooperative wholesale society grew out of the successful experience of the wholesale societies in the three Prairie Provinces in pooling orders for binder twine. The idea of further collective buying spread. As a result, Interprovincial Co-operatives was organized in 1940. The first membership consisted of the wholesale societies of the four western Provinces--British Columbia, Alberta, Saskatchewan, and Manitoba. The membership now consists of 8 societies, but Interprovincial Co-operatives actually serves 10 wholesale societies as Maritime Cooperative

Services represents the three Maritime Provinces of New Brunswick, Nova Scotia, and Prince Edward Island.

Interprovincial Co-operatives, Ltd., is following the same pattern on a national scale that the provincial wholesales are following in the provinces. Beginning with binder twine, it has gradually added items that can be obtained to advantage collectively by the provincial groups. The list of items, as well as volume, is growing rapidly. For example, the dollar volume of purchases in 1950 was 41.2 percent above the volume in 1949. Again, like the provincial wholesales, procurement is through two methods--purchase and manufacture. Also, both consumer goods and farm supplies are handled. Interprovincial distributes the products of a number of cooperatives to its members in Canada, and it is very interested in doing business with cooperatives in the United States.

Trading centers in Canada are relatively small, and owing to the great distances between markets, it is impossible to handle "split" cars with "unload-in-transit" privileges in more than one market--a practice that is common in the United States. Thus, in the case of bulky items it is necessary to ship carload lots into individual markets. As these markets are generally small, many items cannot be handled in carload lots by single agencies. Thus, Interprovincial Co-operatives is specializing in the development of a few large-volume items that can be shipped in carload lots into relatively small centers. Exceptions to this general rule are items such as fruit juices that can be reshipped because the cost of transportation is low in relation to value.

Interprovincial Co-operatives, Ltd., obtains considerable quantities of goods in the United States. The greater portion of the \$326,560 of purchases in 1951 consisted of home refrigerators obtained from the manufacturer with which Interprovincial Co-operatives and National Cooperatives of Chicago have a joint contract. The coming year Interprovincial plans to add home freezers to its line from this contract. This year it is adding farm fencing and nails.

Interprovincial has been buying citrus juices in the United States for the members in the Prairie Provinces. So far, Interprovincial has not been able to choose its supplier as it has not been able to make up carload lot orders. It has had to place its order in a pool car along with orders of other dealers in the central markets of the Prairie Provinces. In this type of shipment, it is necessary for each buyer's order to fit into the whole order as handled by the broker making it up. Thus, Interprovincial buys its citrus juices from the firm that fills the whole order. When possible, however, its officials like to do business with cooperatives.

As part of its farm supplies procurement program, Interprovincial buys large amounts of protein meals and cake. Most of these products are obtained from mills in Canada. However, the cooperatives' officials are interested in getting protein meal from the United States, and they would welcome contacts from cooperatives having soybean or cottonseed meal or cake to sell in Canadian markets.

Members of Interprovincial Cooperatives, Ltd.

Each of the eight members of Interprovincial Co-operatives obtained some products from the United States in 1951 (table 3). With the exception of some miscellaneous hardware items, the purchases of four of the members were entirely through Interprovincial or National Cooperatives. The other four members--the Saskatchewan Federated Co-operatives, the Manitoba Co-operative Wholesale Society, the United Co-operatives of Ontario, and the Co-operative Federee de Quebec--purchased through Interprovincial and National, but also imported direct. Their direct imports of \$1,392,000 in 1951 were equivalent to about 70 percent of the total volume of purchases from the United States by these cooperatives.

British Columbia Cooperative Wholesale Society, 1164 Homer Street, Vancouver, British Columbia. This cooperative was organized in 1939, and in 1951 it had a membership of 73 local associations. The member associations are chiefly general mercantile and marketing organizations, which handle consumer goods and farm supplies.

This society purchases some goods in the United States, and is interested in buying more. In 1951 it paid over \$10,000 for milking machines and refrigerators bought through Interprovincial Co-operatives and National Cooperatives. In addition, tools and general hardware items are purchased direct from United States suppliers.

To date, the cooperative has not imported any feeds or fertilizers from the United States although it distributes large quantities of both. The management is interested in connections in the United States for these items.

The Alberta Co-operative Wholesale Association, Ltd., Edmonton, Alberta. This association is the wholesale purchasing agent for 130 local association members throughout the Province of Alberta. Its main activity is distributing general merchandise and farm supplies to its member units.

In 1951 this association was the smallest purchaser of United States goods of any of the Canadian wholesales (table 3). Last year the purchases from the United States were just over \$5,000. None of this business was direct; all purchases were made through Interprovincial and National Cooperatives.

The low volume in 1951 was partially the result of a reorganization in the cooperative. However, the management states that any expansion will be an increase in existing lines and not an adding of new ones.

Saskatchewan Federated Co-operatives, Ltd., Saskatoon, Saskatchewan. This cooperative was formed in 1944 by the amalgamation of the Co-operative Wholesale Society and the Co-operative Refineries. Its membership in 1951 consisted of 515 local associations. The Federated Co-operatives produces a number of the products supplied to its members. Among its

production plants are a lumber mill, coal mines, and an oil refinery. Its joint oil development venture with the Consumer Co-operative Association of Kansas City has been discussed earlier.

In 1951 the Federated Co-operatives purchased goods in the United States to the extent of approximately \$201,000. Of this amount, slightly more than half was bought through Interprovincial and National Cooperatives. The balance was obtained direct from United States suppliers.

The \$94,000 spent for purchases made direct from dealers in this country was mainly for hardware items, oyster shells, dried fruit, and walnuts.

About \$20,000 was spent for dried fruit and walnuts. These items are handled in pool cars made up by combining the less-than-carload-lot orders of several dealers in one market into a carload lot. Under this plan the supplier in the United States is selected by the broker handling the order. Thus the Federated Co-operatives has little to do with determining the source of its dried fruit and walnuts.

Manitoba Co-operative Wholesale Society, Ltd., Winnipeg, Manitoba. In 1951 this cooperative served 137 local associations located in Manitoba and northwestern Ontario. About half of the member units are petroleum cooperatives; the others operate general stores. The society obtains most of its lubricating oils from CCA of Kansas City, of which it is a member.

This wholesale bought about \$164,000 worth of United States products last year (table 3). Of this amount \$64,541 was for goods purchased through the Interprovincial and National Cooperatives. The \$100,000 spent for direct imports was about equally divided between general hardware and feeds.

The feed products purchased were largely alfalfa meal and soybean meal. The cooperative purchases these meals in the United States when competitive prices permit. The management would welcome contacts from cooperatives that have these products for sale.

The United Co-operatives of Ontario, 28 Duke St., Toronto, Ontario. This cooperative has actually been in operation since 1914, but has operated under its present name only since 1948, when the original federation was reorganized.

Its 1951 membership consisted of 156 local associations scattered throughout the Province of Ontario. The United has developed a two-way program for its member associations and provides both marketing and farm supply services. Marketing is the largest of the Co-operatives' activities, and livestock marketing is the most important part of the program. In 1951 livestock sales accounted for about \$37,000,000 of the approximately \$59,000,000 marketing volume. The marketing services of the



This blending plant, owned by the Manitoba Co-operative Wholesale, supplies the Co-operative Wholesale Societies in Alberta, Saskatchewan, and Manitoba with oils and grasses.



Right. Headquarters of the Saskatchewan Federated Co-operatives, Ltd., Saskatoon.



Left. One of the feed plants operated by United Co-operatives of Ontario.



The milk plant at Guelph, operated by the United Co-operatives of Ontario.



One of the plants of Maritime Co-operative Services, Ltd. This cooperative serves the Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

United Co-operatives also include dairy and poultry products. The United Co-operatives' modern milk plant at Guelph manufactures a variety of dairy products.

The farm supply business covers a wide range. Among the commodities handled are general farm supplies, feed, fertilizer, petroleum, seed, farm machinery, hardware, and electrical appliances. The United Co-operatives operates feed mills and fertilizer plants. In 1951 its farm supply business approximated \$15,000,000.

The United Co-operatives, in its broad program of marketing and purchasing, both buys and sells in the United States. Its purchases in this country totaled about \$702,000 in 1951 (table 3).

The United buys a substantial portion of its United States products from cooperatives. Its purchases through National Cooperatives and Interprovincial Co-operatives last year totaled about \$274,126. It is a member of the National Farm Machinery Cooperative of Bellevue, Ohio, and distributes the National Farm line in Ontario. It also buys roofing and other supplies from the United Cooperatives of Alliance, Ohio.

In addition to purchases through cooperatives, as a result of membership or long-standing connections, the United buys a great deal of other supplies direct from other dealers in this country. Also, it sells some items in the United States.

The United Co-operatives deals extensively in feed and seed in its two-way trade. The purchase of several commodities depends upon price and relative availability in the two countries. Among these are corn, oats, and soybean meal. Frequently five to six cars of corn per month are obtained in this country. Red clover seed is either bought or sold, depending upon supply and price. When supplies are plentiful in Canada, the United sells some surplus clover seed in this country; when the seed is scarce in Canada, purchases are made in the United States to supply the United's membership. Other seeds purchased in the United States are timothy, orchard grass, redtop, Sudan grass, sorghum, and Ladino clover.

Several commodities are normally sold in this country. Seed oats is one that is normally sold here. As already mentioned, red clover is sold in this country in years of surplus supplies in Canada. If and when imports of dairy products are permitted, the United would like to sell cheddar cheese and powdered skim milk in the United States.

The United is interested in establishing contacts with cooperatives in this country for the purpose of either buying or selling. Its officials would welcome connections with cooperatives in the United States with a view to exchanging information on supplies and market conditions. Based on this information, trading would take place either way, depending upon conditions.

La Co-operative Federee de Quebec, 130 St. Paul St. East, Montreal, was organized in its present form in 1922 by combining the three existing wholesale federations. This cooperative has about 460 local agricultural association members.

The Co-operative Federee engages in three major activities:

- (1) the operation of centrally owned facilities,
- (2) the performing of marketing services for its members, and
- (3) the procuring of farm supplies for its members.

The centrally owned facilities consist of slaughter plants, poultry plants, feed mixing plants, grain storage, and box factories. The marketing services include fruit and vegetable, poultry and egg, butter and cheese, livestock, and seed marketing. Complete lines of farm supplies are handled. These include feeds, fertilizers, insecticides, seeds, machinery, and electrical appliances. The Co-operative Federee handles the line of one of the large farm machinery companies in the United States.

The Co-operative Federee purchases more products in the United States than any other cooperative wholesale society in Canada. In 1951 its purchases totaled almost \$800,000 (table 3). Only a small part--about \$30,000--was purchased through National Cooperatives and Interprovincial Co-operatives. About \$770,000 was spent on direct imports of machinery.

The Co-operative Federee is interested in buying feed items in this country. Its interest is chiefly in alfalfa and soybean meal. Normally the Co-operative uses two to three cars of meal per day in its several feed mills. Its officials would welcome contacts from cooperatives in the United States having these products for sale in Canada.

The Co-operative Federee is also selling some products in the United States and is interested in selling others. It has developed a good market for canned hams, which are produced in the association's packing plants, and it is interested in expanding the outlets. In addition, the Co-operative Federee would like to sell powdered milk and casein in this country if and when conditions permit.

L'Alliance des Cooperatives de Consommation, 3680 St. Denis St., Montreal. This cooperative is a federation of about 90 local associations. The loosely organized federation that had operated for several years was formalized into its present form in 1942.

The cooperative serves as wholesale supplier mainly for food and electrical appliances. Its purchases from the United States are through the National Cooperatives and Interprovincial Co-operatives. In 1951 these purchases totaled about \$45,000 (table 3).

Maritime Co-operative Services Ltd., Moncton, New Brunswick. This cooperative wholesale serves as the central for the societies of the three Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

The organization began in 1927 as a livestock-marketing association. Its services and scope were expanded as needs and opportunity grew. It was reorganized into its present form in 1945.

At the present time Maritime Co-operative Services offers a wide array of services. The major ones are:

- (1) livestock, wool, and poultry marketing,
- (2) chick hatchery (at Saint John),
- (3) feed manufacturing, and flour and feed sales,
- (4) machinery and building materials - sales and service,
- (5) fertilizer merchandising,
- (6) grocery wholesaling,
- (7) life, fire, and auto insurance services,
- (8) accounting and audit services.

These services are performed for 230 local member associations. At the present time Maritime Co-operative Services obtains its supplies and sells its products almost wholly in Canada. It is a member of both Interprovincial Co-operatives and National Cooperatives, and purchased about \$61,000 in products through these cooperatives in 1951 (table 3). This represented all its purchases in the United States.

SUMMARY OF TRADE OPINIONS BY CANADIAN COOPERATIVES

Interests in Buying

Interprovincial Co-operatives, Ltd., 389 Main St., Winnipeg, Manitoba, is interested in contacts from cooperatives that have soybean or cottonseed meal or cake to sell in Canadian markets.

The British Columbia Co-operative Wholesale Society, 1164 Homer St., Vancouver, British Columbia, is interested in United States sources of feeds and fertilizers.

Manitoba Co-operative Wholesale Society, Ltd., Winnipeg, Manitoba, would welcome contacts from cooperatives in the United States that have alfalfa and soybean meal to sell in Canada.

Co-op Vegetable Oils, Ltd., Altona, Manitoba, is buying soybeans in the United States in increasing quantities. The competitive area is that within trucking distance of Altona.

Interests in Both Buying and Selling

United Co-operatives of Ontario, 28 Duke St., Toronto, Ontario, is interested in an "information exchange" relationship with cooperatives in the United States with a view to either buying or selling depending on conditions. Items normally bought in the United States are oats,

soybean meal, corn, and timothy, orchard grass, redtop, Sudan grass, sorghum, and Ladino clover seed. Items that United Co-operatives normally sells or would like to sell in the United States are seed oats, cheddar cheese, and powdered skim milk. Red clover seed is either bought or sold in the United States depending on supply and price.

La Co-operative Federee de Quebec, 130 St. Paul St. East, Montreal, is interested in additional connections for both buying and selling products in the United States. It is interested in buying soybean and alfalfa meal. The Co-operative Federee uses two to three cars of meal per day in its several mills.

It is interested in expanding the outlets in the United States for its canned hams. If permitted, the Co-operative Federee would also like to sell powdered milk and casein in this country.

Ontario Honey Producers Co-operative, Ltd., 5 Defries St., Toronto, buys or sells honey in the United States depending on supply and price. It is interested in contacts from wholesalers or supermarkets for retail packaged honey.

Manitoba Co-operative Honey Producers, Winnipeg, buys or sells honey in the United States depending on supply and price. It is interested in establishing outlets in the United States for high-grade products.

Interests in Selling

Northern Canadian Seed Sales, Ltd., Winnipeg, Manitoba, would welcome contacts from buyers of sweetclover, alfalfa, alsike clover, brome grass, creeping and meadow fescue, and crested wheat grass seed in their trade territory in the United States. In general, this territory is within a line arcing from Portland, Oregon, through St. Louis, Missouri, to Buffalo.

Saskatchewan Wheat Pool, Regina, is interested in selling flour from its mill at Saskatoon to cooperative wholesales near the border.

Island Co-operative Services, Ltd., Charlottetown, Prince Edward Island, would like to contact cooperatives in the United States that buy certified seed potatoes in Prince Edward Island.

